

Message Text

UNCLASSIFIED

PAGE 01 STATE 277236

63

ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 RSC-01 TRSE-00 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 /054 R

66610

DRAFTED BY: XMB:AHHAMILTON

APPROVED BY: EB/OCA/REP:LAKLIEFORTH

XMB:WWGLICK

EB/IFD/ODF:EMLINTON

EUR/IB:WKELLY (INFO)

----- 105481

R 182213Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY LISBON

UNCLAS STATE 277236

E.O. 11652: N/A

TAGS: EGEN

SUBJ: FINANCING U.S. EXPORTS OF COAL TO PORTUGAL

REF: LISBON 5371 - STATE 272768 AND 272507

1. EXIMBANK'S CFF PROGRAM IS DESIGNED TO HELP FINANCE EXPORTS OF CAPITAL GOODS WHERE NORMAL REPAYMENT TERMS ARE IN THE ONE TO FIVE YEAR RANGE, AND WHERE CONTRACT VALUE OF TRANSACTION IS LESS THAN DOLS 1 MILLION. FOR THESE REASONS BANCO PINTO & SOTTO MAYOR IS INAPPROPRIATE VEHICLE FOR DEFERRED PAYMENT PURCHASE OF U.S. COAL.

2. NORMAL CREDIT TERM FOR COAL IN INTERNATIONAL COMMERCE IS MAXIMUM OF 180 DAYS. EXIMBANK PROGRAM FOR SUCH SHORT-TERM TRANSACTIONS IS CREDIT INSURANCE ISSUED BY FOREIGN CREDIT INSURANCE ASSOCIATION ON APPLICATION FROM U.S. EXPORTER. PORTUGUESE BUYER SHOULD APPROACH U.S. SUPPLIER IN NORMAL MANNER, SEEKING DEFERRED PAYMENT TRANSACTION. U.S. SUPPLIER THEN APPLIES UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 277236

TO FCIA FOR CREDIT INSURANCE. INSURANCE POLICY IS ISSUED ON

WHOLE-TURNOVER BASIS, E.G., ALL EXPORTS ARE COVERED, NOT JUST THOSE TO A PARTICULAR MARKET. MANY COAL EXPORTERS ALREADY HOLD FCIA POLICIES, AND SO CAN CONCLUDE SALES NEGOTIATIONS PROMPTLY.

3. EARLIER MESSAGES ON THIS SUBJECT MENTIONED EXIMBANK DISCOURAGING SUPPORT FOR COAL EXPORTS IN VIEW OF POTENTIAL SCARCITY. EXIMBANK REMAINS CAUTIOUS IN THIS AREA, BUT PORTUGAL WOULD RECEIVE CONSIDERATION NO LESS FAVORABLE THAN ANY OTHER COUNTRY. KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, COAL, EXPORTS, CONTRACTS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE277236
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:AHHAMILTON
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740368-0935
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741225/aaaaauth.tel
Line Count: 71
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 74 LISBON 5371, 74 -, 74 STATE 272768, 74 AND 272507
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 03 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 OCT 2002 by ReddocGW>; APPROVED <08 JAN 2003 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FINANCING U.S. EXPORTS OF COAL TO PORTUGAL
TAGS: EGEN, US
To: LISBON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005